

BUDGET, FINANCE & INVESTMENT COMMITTEE

January 7, 2010

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Bob Bullen
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Teb Batey
Truman Jones
Lisa Nolen
Lois Miller
John Bratcher
Mike Nunley

Others Present:

Mac Nolen
Jeff Sandvig
Erin Griffin
Scott Broden
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

APPROVE MINUTES:

The minutes of the December 10, 2009 Budget Committee meeting were presented for approval.

Comm. Shafer moved, seconded by Comm. Sandlin to approve the minutes as presented. The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that there were no investment transactions during the month, and that the LGIP interest rate for the month was .35%. He advised that the property tax collections during the past month had been good.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the Investment Report as presented. The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Finance Director Lisa Nolen presented the monthly Fund Condition Report advising that the Development Tax collections for the month totaled \$63,750 with the year-to-date collections being \$504,000. This compared to the same period last year when the Development Tax collections for the month of December were \$34,500 and the year-to-date collections were \$2,070,000. Mrs. Nolen advised that during the first two days of January, \$300,000 had been collected, which will be the best month for Development Tax collections this fiscal year. This amount will be reflected on next months report.

Mrs. Nolen advised that the total fund cash balances at the end of December were \$168,726,498 with \$138,343,409 being operating funds, and \$30,383,089 being borrowed funds. This compared to the same month last year when the total cash balances were \$147,193,010 with operating funds being \$123,586,220 and borrowed funds being \$23,606,790.

Mrs. Nolen reviewed the revenue collections, advising that a \$9 million property tax collection from Wells Fargo was received at the end of December, but did not get posted until after the first of January. When comparing the revenue collections to prior years, the payment from Wells Fargo causes the total revenue collections to be more in line.

Following review, Comm. Sandlin moved, seconded by Comm. Peay to approve the monthly Fund Condition Report as presented. The motion passed unanimously by acclamation.

INSURANCE REPORT:

Mrs. Lois Miller, Insurance Director, presented the monthly Insurance financial report for the use and information of the committee advising that the monthly costs per employee for the medical, dental, and vision plans were down from last year. The CareHere claims were consistent with last year. The total core plan costs for medical, dental, vision and Carehere were slightly less than the previous year at this time. The GASB liability was at \$22.5 million.

The average claim cost per employee per month for the medical, dental and vision plans was \$669.89, which was a 4% decrease from last year. The CareHere costs per employee per month were up approximately 4.5%. The entire core plan costs were down approximately 3.6% from last year.

The Work Injury Plan reflected an increase in claim costs in December, 2009 compared to December, 2008 due to the payment of some large claims and a settlement. Comparing the workers' compensation claims to the on-the-job injury claims reflected more workers' compensation claims were paid during the month of December. Mrs. Miller advised that was because the large medical claim that was paid and the settlement that was paid were both workers' compensation claims. The year-to-date claims that have been paid were approximately 74% of the claims paid last year at this time.

Mrs. Miller provided a comparison of the work injury claims cost between 2008 and 2009, which reflected a 53% reduction in costs in 2009 from 2008. She advised that the actual number of claims in 2009 increased slightly from 2008, but the incurred dollars were down in 2009 by 55%. She attributed this reduction in costs to the addition of the long term disability insurance and the safety program and training, which has reduced the severity of the claims.

Following review, Comm. Jordan moved, seconded by Comm. Peay to approve the Insurance Financial Report as presented. The motion passed unanimously by acclamation.

RECOMMENDATION TO AMEND ON-THE-JOB INJURY PLAN DOCUMENT:

Mrs. Miller presented a proposed draft of the Rutherford County Government and the Board of Education On-the-Job Injury Program Plan Document. Mrs. Miller advised that the On-the-Job Injury Program had been in effect for a year, and after a year of administering the program, there were areas of the program that needed to be amended. She advised that the changes were the result of several things such as experience in areas of the document that needed to be clarified or simplified; input from other departments; and some case law that had been decided during the time period. Mrs. Miller advised that the amended document had been approved unanimously by both the Insurance Committee and the Public Safety Committee. Mrs. Miller reviewed the proposed changes for the committee.

Following review, Comm. Peay moved, seconded by Comm. Shafer to approve the Rutherford County Government and Board of Education On-the-Job Program Plan Document with the proposed changes as presented. The motion passed unanimously by roll call vote.

GENERAL FUND BUDGET AMENDMENTSCHANCERY COURT:

Mr. John Bratcher, Clerk & Master, advised that finally after many years, the state would be implementing new software programs for state court clerks' offices beginning March 1. He advised that in December, his office was advised that they would need additional hardware, including a \$12,000 server and another \$12,000 in upgrades to their computers.

Mr. Bratcher advised that he and Brian Robertson had discussed that with the vendor, Local Government Data Processing, and with the Administrative Office of the Courts, and the state had agreed to provide the \$12,000 server, which cut the cost in half. The remainder of the cost would be used to provide some replacements and upgrades to their computers.

Mr. Bratcher explained that his office collected a two dollar data processing fee on filings in the Chancery Court, which could only be used for computer services for either hardware or software.

Mr. Bratcher advised that in discussions with the Finance Director, there was money available from the collection of the data processing fee.

Mrs. Nolen advised that there was \$7,453 reserved from the collection of the data processing fee from prior years. Additionally, she advised that in the 2009-10 budget she had estimated \$12,000 in revenue from the collection of the fees, but only \$6,154 had been appropriated for data processing services. That would leave \$4,547 available to be appropriated.

Mr. Bratcher requested approval of the following budget amendment to provide funding for the upgrade and/or replacement of computers and printers in order to utilize the new court clerk software:

From: 101-34166 – Reserved for Automation-Chancery -	\$ 7,453
101-39000 – Undesignated Fund Balance -	4,547
To: 101-53400-709 – Data Processing Equipment -	\$12,000

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment for the Chancery Court as requested to provide upgrades of computers and printers in order to utilize the new court clerk software to be provided from the State. The motion passed unanimously by roll call vote.

JAIL:

Sheriff Truman Jones requested approval of the following budget amendments for the Jail to recognize revenue in the amount of \$46,721 that was received from the 2009 Justice Assistance Grant from the City of Murfreesboro to be used for video arraignment for Judge Bragg's court; and to transfer \$6,000 from Jail salaries to repair and maintenance of equipment to cover estimated expenses in the Jail:

Increase Revenue:	101-47250 – Law Enforcement Grants -	\$46,721
Increase Expend.:	101-54210-709 – Data Processing Equipment -	\$46,721
From:	101-54210-189 – Other Salaries/Wages -	\$ 6,000
To:	101-54210-336 – Maint./Repair Equipment -	\$ 6,000

Following review, Comm. Peay moved, seconded by Comm. Jordan to approve the budget amendment and transfer for the Jail as requested to appropriate the 2009 JAG proceeds to implement video arraignment for Judge Bragg's court and to provide an additional \$6,000 for Maintenance and Repair of Equipment for the Jail. The motion passed unanimously by roll call vote.

CORRECTIONAL WORK CENTER:

Chairman Ealy presented the following budget transfer for the Correctional Work Center to provide an additional \$4,000 for Maintenance and Repair of Equipment due to repairs to buses, vehicles and kitchen equipment being more than anticipated. The money was available in the Lieutenant's Account due to a vacancy this year:

From:	101-54220-110 – Lieutenant -	\$4,000
To:	101-54220-336 – Maint./Repair Equipment -	\$4,000

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget transfer for the Correctional Work Center as requested to transfer \$4,000 from Account 101-54220-110, Lieutenant, to Account 101-54220-336, Maintenance & Repair of Equipment. The motion passed unanimously by roll call vote.

AMBULANCE SERVICE FUND BUDGET AMENDMENT:

Mr. Mike Nunley, Ambulance Service Director, was present and explained to the committee that there had been an unexpected failure to the radio system. The part that failed was the controller, which is between the actual radio and the console where the dispatchers actually perform their telecommunications. Mr. Nunley explained that there were two power supplies, and both of the power supplies failed and the controller also failed. He stated that the situation was also complicated by the fact that the system was nine years old, and the company who manufactured the system was no longer in business. He advised that he was able to find a controller and two power supplies in Canada. He stated that another company actually made the supplies, and they had a few left. He advised that the price on the power supplies and the controller was \$5,300 installed. He stated that the only warranty on the equipment would be for as long as the company had the parts they would warranty it, but once they sold all of the parts on hand there would be no more warranty. He stated that the cost to replace the entire system would be \$155,000. Mr. Nunley requested approval of the following budget transfer to provide funding to repair the console, and that hopefully he would be able to replace it at some point in the future:

From: 118-55130-413 – Drugs/Medical Supplies -	\$ 5,300
To: 118-55130-708 – Communication Equipment -	\$ 5,300

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer of \$5,300 from Account 118-55130-413, Drugs & Medical Supplies, to Account 118-55130-708, Communication Equipment, in order to repair the console in the communications office. The motion passed unanimously by roll call vote.

Comm. Jordan stated that maybe the county should order more of the spare parts from the company.

SOLID WASTE/SANITATION FUND BUDGET AMENDMENT:

Mr. Mac Nolen, Solid Waste Director, requested approval of the following budget amendment to provide funding to pay the second half of the rent to Peachtree Management for the Lascassas Convenience Center for the 2008-09 fiscal year, which was inadvertently not paid:

From: 116-39000 – Undesignated Fund Balance -	\$5,400
To: 116-55732-351 – Rental -	\$5,400

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendment of \$5,400 to Account 116-55732-351, Rent, from the Undesignated Fund Balance in order to pay the rent for the second half of the 2008-09 fiscal year. The motion passed unanimously by roll call vote.

CONTRACT IN LIEU OF PERFORMANCE BOND FOR LANDFILL:

Chairman Ealy advised that the State of Tennessee, Department of Environment and Conservation had notified the county of the necessary annual inflation adjustment of the financial assurance for the Rutherford County Landfill. The adjustment reduced the amount of the financial assurance by \$135,890 from \$3,754,841 to \$3,618,951.

Comm. Jernigan moved, seconded by Comm. Jordan to forward a Resolution to the County Commission authorizing the County Mayor to execute the Amendment of Contract in Lieu of Performance Bond for the annual inflation adjustment of the financial assurance for the Rutherford County Landfill from \$3,754,841 to \$3,618,951 as presented. The motion passed unanimously by roll call vote.

CORRECTION TO SCHOOL BUILDING PROGRAM BUDGET AMENDMENTS FROM LAST MONTH:

Chairman Ealy advised that last month, the project cleanup amendments in the School Building Program reallocated \$3,449,134 within Oakland Middle School to separate architect fees,

engineering fees, and site development from the beginning approved construction account. The correct amount to be reallocated for Oakland Middle School was \$3,446,134.

EDUCATION CAPITAL PROJECTS FUND BUDGET AMENDMENT:

Mr. Jeff Sandvig advised that three projects that had been approved in the 2008-09 budget for Fund 177, Education Capital Projects, had not been completed by June 30, 2009. The remaining money went into the fund balance. Mr. Sandvig requested approval of the following budget amendment to take \$427,144 from Fund 177 fund balance and appropriate it to line items in function 91300, Education Capital Projects. Most of the funds will go to maintenance and repair services for buildings for John Coleman Renovation - \$385,144; Smyrna High Roof - \$20,128; Christiana Elementary Roof - \$21,872:

From:	177-39000 – Undesignated Fund Balance -	\$427,144
To:	177-91300-321 – Engineering Services -	\$ 1,604
	177-91300-335 – Maint./Repair Buildings -	345,429
	177-91300-711 – Furniture/Fixtures -	27,590
	177-91300-722 – Regular Instruction Equipment -	52,521

Mr. Sandvig advised that these were not new funds and that \$650,748 in unexpended, budgeted funds went into the fund balance on July 1, 2009. The \$427,144 needed to be re-budgeted. The \$223,604 difference that remained in the fund balance was the savings of last year's projects.

Following discussion, Comm. Peay moved, seconded by Comm. Shafer to approve the amendment as requested to transfer \$427,144 from Fund 177, Education Capital Projects Fund, fund balance and appropriate it to Account 177-91300 to complete the projects for John Coleman Renovation - \$385,144, Smyrna High Roof - \$20,128, and Christiana Elementary Roof - \$21,872. The motion passed unanimously by roll call vote.

OTHER BUSINESS

Comm. Shafer announced that there would be a ham breakfast at the La Vergne Rescue Squad on Saturday morning from 6:00 A.M. until 10:00 A.M.

Comm. Shafer also thanked all of the volunteers and businesses that helped to complete the renovation of the La Vergne High School band room over the Christmas holidays.

Comm. Jordan advised that he had received an e-mail of a copy of an article about a community somewhere else where they were looking into companies that had received tax abatements as to whether or not they were abiding by the terms of the agreements regarding number of jobs provided. The communities were enforcing the terms, and if the terms were not met they were collecting delinquent taxes. He advised that a significant amount of tax dollars were being collected. He asked if the county enforced the contracts with companies who had received tax abatements.

Mrs. Nolen advised that she believed that the IDB audited that.

The committee suggested that Chairman Baker be asked to give a report to the committee regarding this issue.

Comm. Sandlin stated that the county's thoughts and prayers were with the Brandon family on the loss of Mr. Willie Brandon.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 6:15 P.M.